

Message Text

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E.O. 11652: GDS

TAGS: FR, NATO, MPOL, MARR, GW

SUBJECT: TWO-WAY STREET DISCUSSIONS WITH FRENCH ARMAMENTS
-- DIRECTOR

REF: BONN 12396

1. UPON REVIEW REFTEL BELIEVE IT DESIRABLE CLARIFY POSSIBLE MISINTERPRETATION OF REPORT ON CURRIE-DELPECH JULY 21 CONVERSATION.
2. CURRIE'S MAIN POINT WAS TO RESPOND TO PREVIOUS DELPECH LETTER EXPRESSING CONCERN THE LMT (FRENCH FIRM) BID FOR A TANK SIMULATOR CONTRACT WOULD NOT BE GIVEN EQUAL TREATMENT WITH A UK COMPETITOR WITH RESPECT TO WAIVING "BUY AMERICAN" PROVISIONS. CURRIE TOLD DELPECH US COULD WAIVE BUY AMERICAN PROVISIONS WHEN IT HAD ENTERED INTO MEMORANDUM OF UNDERSTANDING PROMOTING GREATER NATO STANDARDIZATION OR
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IN A SITUATION IN WHICH DETERMINATION CAN BE MADE THAT

PROCUREMENT FROM A FOREIGN SOURCE WILL PROMOTE STANDARDIZATION/INTEROPERABILITY. CURRIE SAID FORMER CONDITIONS DID NOT APPLY IN THIS CASE AND USG WAS STILL CONSIDERING LATTER. HOWEVER, GIVEN NATURE OF SIMULATOR HE PERSONALLY WAS NOT OPTIMISTIC USG COULD DETERMINE JURIDICAL BASIS EXISTED FOR WAIVING BUY AMERICA IN THIS CASE. IN ANY EVENT HE WOULD

RESPOND FORMALLY TO DELPECH LETTER WHEN FINAL DECISION MADE.

3. CURRIE SAID US WAS ANXIOUS TO WORK WITH FRANCE TO INCREASE STANDARDIZATION AND INTEROPERABILITY IN THE MUTUAL INTEREST OF BOTH COUNTRIES. HE NOTED WE WOULD WAIVE BUY AMERICAN PROVISIONS AS WE DID WITH ROLAND WHEN CONNECTION WITH NATO STANDARDIZATION/INTEROPERABILITY CAN BE DEMONSTRATED. HE ADDED THE US AND FRANCE NEEDED TO DO MORE TO STIMULATE TWO-WAY STREET, NOTED THAT US-UK MOU HAD BEEN HELPFUL IN THIS REGARD AND ASKED DELPECH TO CONSIDER WAYS IN WHICH US AND FRANCE COULD WORK MORE EFFECTIVELY TOGETHER IN STANDARDIZATION/INTEROPERABILITY AREA.

4. CURRIE DID NOT REPEAT NOT RAISE ISSUE OF COAST GUARD AIRCRAFT NOR ANY OTHER POTENTIAL CONTRACTS INVOLVING POSSIBLE WAIVER OF BUY AMERICA WITH DELPECH.

5. DELPECH RESPONSE WAS AS REPORTED PARA 2 REFTEL.

6. EMBASSY PARIS SHOULD DRAW ON ABOVE IN ANY DISCUSSIONS THAT MAY ARISE WITH DELPECH OR OTHER FRENCH OFFICIALS RELATING TO DELPECH-CURRIE CONVERSATION, MAKING CLEAR THAT DECISIONS RELATING TO BUY AMERICAN WAIVER ON POTENTIAL FRENCH CONTRACTS REMAIN UNDER REVIEW.

7. TEXT OF DELPECH LETTER TO CURRIE FOLLOWS:
"DEAR DR. CURRIE:

THE FRENCH COMPANY LMT INVITED BY THE US ARMY TO BID FOR A TANK DRIVING SIMULATOR HAS MUST SUBMITTED ITS PRICE PROPOSAL AFTER ACCEPTANCE OF ITS TECHNICAL PROPOSALS.

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THIS OFFER COMPARED TO THOSE OF THE AMERICAN AND BRITISH COMPETITORS PROVES TO BE VERY COMPETITIVE, IF OF COURSE NOT SUBJECTED TO THE BUY AMERICAN ACT.

TO THE KNOWLEDGE OF THE FRENCH MILITARY MISSION IN WASHINGTON, A WAIVER TO THE BUY AMERICAN ACT MIGHT BE GRANTED, BUT POSSIBLE ONLY TO THE BENEFIT OF THE BRITISH COMPANY.

SUCH A SITUATION, IF CONFIRMED, WOULD BE MOST REGRETTABLE AS REINFORCING A FRUSTRATING FEELING GENERATED IN FRANCE BY THE RECENT ELIMINATION FROM THE BCS PROGRAM OF THE FRENCH COMPANY CII WHEN, IN THE SAME TIME, BRITISH AND CANADIAN PROPOSALS WERE TAKEN INTO CONSIDERATION.

THE PENALIZATION OF THE COMPANY LMT WOULD LEAD ONCE MORE THE FRENCH INDUSTRY TO QUESTION THE WILLINGNESS OF THE UNITED STATES TO APPLY THE SAME RULES TO THE PROPOSALS OF THEIR DIFFERENT ALLIES.

IN THE LONG RUN, IT WOULD PERSUADE THE SAME CIRCLES TO RESTRAIN FROM THE POLICY OF COOPERATION WE ARE DEVOTING OURSELVES TO PROMOTE.

THIS IS THE REASON WHY I AM CONFIDENT THAT THE FRENCH COMPANY WILL BE TREATED ON THE SAME BASIS THAN ITS COMPETITORS. MOREOVER, THE LIMITED SCOPE OF THIS MATTER LEADS ALSO TO THINK THAT THE UNITED STATES SHOULD SEIZE THIS SPECIAL OPPORTUNITY TO PROVE ONCE MORE ITS WILLINGNESS TO FULLY CONSIDER THEIR ALLIES' REALIZATIONS.

THE FRENCH ARMY HAS BEEN EQUIPPED FOR SEVERAL YEARS WITH TANK DRIVING SIMULATORS DEVELOPED BY LMT. BESIDES THESE SIMULATORS ARE ALSO USED BY THE ARMIES OF GERMANY, BELGIUM, NORWAY AND SPAIN AMONG OTHERS. THIS IS THEREFORE AN EXTREMELY PROMISING POTENTIAL AREA FOR COOPERATION.

(SIGNED) DELPECH" (INFORMAL TRANSLATION).

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